



## FISCAL MEMORANDUM

### HB 2331 - SB 2558

February 22, 2022

**SUMMARY OF BILL AS AMENDED (014068):** Requires each direct recording electronic voting system (DREVS) used by a county election commission to produce a voter-verified paper audit trail (VVPAT), beginning January 1, 2024. Provides the opportunity for a two-year extension, if necessary.

### FISCAL IMPACT OF BILL AS AMENDED:

**Increase Local Expenditures— Exceeds \$11,625,000/FY22-23\***  
**Exceeds \$15,098,600/FY23-24\***  
**Exceeds \$1,098,000/FY24-25 and subsequent years\***

Assumptions for the bill as amended:

- According to information provided by the Secretary of State's Division of Elections, there are approximately 61 counties are using DREVS that are not capable of producing VVPAT.
- The proposed language would require these 61 counties, to upgrade or replace their current voting systems to ensure the system produces VVPAT.
- This analysis assumes that each county election commission will make the required changes without requesting an extension.
- There are approximately 4,898 DREVS which would need to be updated or replaced in the state.
- Of the 61 counties using DREVS, 46 county election commission currently contract with a vendor that manufacturers a DREVS with VVPAT capabilities.
- The estimated one-time cost to each of the 46 counties to upgrade their DREVS to produce VVPAT is \$252,717 for necessary hardware and software.
- It is assumed these 46 counties would upgrade their systems in FY22-23; therefore, there is an estimated mandatory increase in local government expenditures in FY22-23 of \$11,624,982 (\$252,717 x 46 counties).
- There are 15 county election commission that currently contract with vendors who do not manufacture DREVS that are capable of producing VVPAT.
- The estimated one-time cost to each county to switch to systems with VVPAT would be at least \$951,373 for necessary hardware and software.
- Because the system overhaul is greater and there is a statewide election November 2022, it is assumed these 15 counties will wait until FY23-24 to upgrade their systems.

- Therefore, an estimated mandatory increase in local expenditures in FY23-24 exceeding \$14,270,595 (\$951,373 x 15 counties).
- All 61 counties which would need to produce VVPAT would also experience recurring expenses exceeding \$18,000 per year for annual software maintenance, database installation, machine programming, and additional support during elections.
- The total estimated mandatory increase in local expenditures for FY23-34 exceeds \$15,098,595 [\$14,270,595 one-time + (18,000 recurring x 46 counties)].
- There is an estimated mandatory recurring cost exceeding \$1,098,000 in FY24-45 and subsequent years (\$18,000 x 61) to local governments.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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